Education Cess **levied on petrol and diesel**

1167. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

whether it is a fact that Government is collecting Education Cess from petrol and diesel at Rs. 2 per Ltr;

if so, the details of Education Cess collected on diesel and petrol during the years, 2004-05,2005-06 and 2006-07; and

the details of Education Cess allotted to Education Department during the years, 2004-05,2005-06 and 2006-07 by Government for education?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The Government is not collecting Education Cess from Petrol and Diesel at Rs. 2 per litre. Education Cess is collected @ 2% of excise and customs duty payable on petrol and diesel.

(b) Commodity-wise Education Cess data is not collected and compiled. However, total Education Cess (@2%) collected from Customs and Central Excise duties on all commodities during the years 2004-05,2005-06 and 2006-07 is furnished below:

Collection of Education Cess (Rs. in crore)

Indirect Tax	2004-05	2005-06	2006-07
Customs	735	1248	1630
Central Excise	1451	2137	2286

Note: Figures are provisional.

(c) The information is given in the enclosed Statement.

Statement

Details of the 'Education Cess' collected and budget allocations made for SSA/MDM scheme during the years 2004-05 to 2006-07

(Rs. in crore)

Year	Education Cess collected	Budget Allocated to Deptt. of School Education for SSA & MDM		Transfer to Prarambhik Shiksha Kosh
		SSA	MDM	
2004-05	4176.92	4753.63	1507.50	8935.00*
2005-06	7135.81	7810.75	334526	
2006-07	8855.58	11104.00	5348.00	

*including an amount of Rs. 189.00 crore provided for in the final batch of Supplementary Demands for Grants 2006-07.

It may be mentioned that—

- For 2004-05 and 2005-06, the allocation to Department of School Education and Literacy towards Mid-day-Meal and Sarva Shiksha Abhiyan are inclusive of the amounts collected from Education Cess.

• The Prarambhik Shiksha Kosh (PSK) having been notified on 14th November, 2005, separate budget provision for crediting the Cess amount collected to PSK was started from 2006-07 onwards.

Taxing the high income group

1168. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

whether Government is paving the way for collection of higher taxes from high income people;

if so, the details thereof; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir, the Government collects income tax from high income people at a tax rate which is higher than the tax rate on other people.

(b) and (c) For the financial year 2007-08 (relevant to the assessment year 2008-09) the income tax rates for an individual or Hindu undivided family (not being a women or senior citizen) are as under:-

(i) where the total income does not exceed Rs. 1,10,000	Nil;
(ii) where the total income exceeds Rs. 1,10,000 but does not exceed Rs. 1,50,000	10 per cent of the amount by which the total income exceeds Rs. 1,10,000
(iii) where the total income exceeds Rs. 1,50,000 but does not exceed Rs. 2,50,000	Rs. 4,000 plus 20 per cent of the amount by which the total income exceeds Rs. 1,50,000;
(iv) where the total income exceeds Rs. 2,50,000	Rs. 24,000 plus 30 per cent of the amount by which the total income exceeds Rs. 2,50,000.

Where total income exceeds Rs. 10,00,000, the income tax, calculated as above, shall be further increased by a surcharge at the rate of 10 per cent of such income tax.

The amount of income tax and surcharge as above shall be further increased by

(0 an additional surcharge called 'Education Cess on income tax' at the rate of 2 per cent of such income tax and surcharge, and

(ii) an additional surcharge called 'Secondary and Higher Education Cess on income tax' at the rate of 1 per cent of such income tax and surcharge.

Twelfth Finance Commission

1169. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Twelfth Finance Commission has mandated that Rs. 20,000 crore of grant money for Panchayats from 2005—10 be disbursed by the State Governments within 15 days of receipt of money from the Central Government;